

JPRS 78292

15 June 1981

Near East/North Africa Report

No. 2347

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Indexes to this report (by keyword, author, personal names, title and series) are available from Bell & Howell, Old Mansfield Road, Wooster, Ohio 44691.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

15 June 1981

NEAR EAST/NORTH AFRICA REPORT

No. 2347

CONTENTS

AFGHANISTAN

Record of Karmal Regime Analyzed in Detail (Tonino Tani; L'UMANITA, various dates)	1
Rise to Power	
Soviet Intervention and Islam	
Economic Problems, Popular Resistance	
Military and Diplomatic Difficulties	

IRAN

Israel Said To Be 'In Danger of Definite Destruction' (TEHRAN TIMES, 25 May 81)	8
Iran-German Relations Discussed With FRG Envoy (ETTELA'AT, 25 May 81)	10
Reinstatement of Monarchy Discussed by Opposition Paper (IRAN-E AZAD, 16 May 81)	14
Report on Group Prosecuted by Military Tribunal (Hojjat-ol-islam Rayshahri Interview; KAYHAN INTERNATIONAL, 25 May 81)	19
Monarchist Group Prosecuted by Military Tribunal (Hojjat-ol-islam Rayshahri Interview; KAYHAN INTERNATIONAL, 25 May 81).....	21
Economic Issues Discussed by Minister of Commerce (JOMHURI-YE ESLAMI, 5 Apr 81)	22
Steps Taken To Assist War Refugees (ETTELA'AT, 21 May 81)	25
Allocation Provided by Government	
War-Victims Foundation Report	

Unemployment, Inflation Counterrevolution's Best Assets (WEEKLY ETTEHAD, 7 Apr 81)	28
Ministry Wants To Hire Dam, Hydro Engineering Experts (KAYHAN INTERNATIONAL, 16 May 81)	30
KUWAIT	
Briefs	
Oil Workers' Strike Settled	32
MOROCCO	
Morocco's Energy Projects Outlined (AN-NAHAR ARAB REPORT & MEMO, 11 May 81)	33
PERSIAN GULF AREA	
Iran, Kuwait Dispute Ship Seizure (AN-NAHAR ARAB REPORT & MEMO, 11 May 81).....	34
QATAR	
Government Studying Competing Gas Development Plans (AN-NAHAR ARAB REPORT & MEMO, 11 May 81)	35
SYRIA	
Minister Discusses Syria's Support for the PLO (8 DAYS, 2 May 81).....	37
Government Cancels Identity Cards (AN-NAHAR ARAB REPORT & MEMO, 25 May 81)	39
Industrial Progress Noted (AN-NAHAR ARAB REPORT & MEMO, 11 May 81).....	40
Currency Reform Causes Problems for Private Sector (AN-NAHAR ARAB REPORT & MEMO, 18 May 81)	42
UNITED ARAB EMIRATES	
British Win Baghdad Metro Design Contract (AN-NAHAR ARAB REPORT & MEMO, 11 May 81)	44
ADNOC Develops Gas-Based Industry (AN-NAHAR ARAB REPORT & MEMO, 11 May 81)	45
Briefs	
Labor Agreement With Sudan	47

RECORD OF KARMAL REGIME ANALYZED IN DETAIL

Rise to Power

Rome L'UMANITA in Italian 22 Apr 81 p 6

[Article by Tonino Tani: "Origin of the Afghan Question: The 'Inattention' of the West"]

[Text] A good deal of time has elapsed since that sad day in December 1979 when the Soviets, seizing upon a moment of crisis in Afghanistan, invaded the country.

What painful changes has this nation, the first Third World country to be violated by the USSR since World War II, been forced to endure in the meantime?

The number of refugees who have fled their homeland for refuge in neighboring Pakistan and Iran is not known, although it is estimated to be in the millions.

Life is harsh for those who have remained, beset by a 'state of siege, by curfew, and by a scarcity of food.

Still, despite the enormous cost of maintaining 85,000 troops on Afghan soil, not to mention the high toll of victims on both sides, Moscow has not yet succeeded in achieving its goal.

What impelled this superpower to launch a war, which has cooled relations between the two political blocs and wiped out the premises of a much desired detente?

The facts of everyday life in this country, torn by open conflict, provide us with a realistic insight into the extent of Afghanistan's plight, and indicate what the indispensable conditions must be to restore freedom to its people.

For it is the Soviets who hold the reins of government, if in a highly unorthodox manner, and make all decisions on every question of primary importance on both the country's national and international issues. What circumstances have brought about this state of affairs? Soviet preponderance in Afghanistan intensified visibly at the end of April 1978 when the coalition of the two antagonistic factions in the Popular Democratic Party (PDP) overthrew Mohammed Daoud's regime and established a government sustained by the army.

the Parcham faction, headed by Babrak Karmal, and the Khalq faction, headed by Nur Mohammed Taraki, both sympathetic to the USSR, hewed equally to Soviet Marxism-Leninism but disagreed on other counts. Less than 3 months after the coup, their disputes led to a rupture, from which the Khalq emerged victorious. Leaders of the Parcham faction were thrown into prison, while others, among them Karmal, continued their opposition from exile in Eastern Europe. In its foreign policy, the new government drew much closer to the Soviet Union, and introduced many reforms in its domestic policies, some of which, including laws on matrimony and the condition of women, had been expected for some time. But linked to unpopular symbols as, for example, the red flag, these reforms had been programed without taking possible constructive developments into account. The changes convinced many traditionalist Afghans that the regime was steeped in Marxism, which generated widespread opposition.

When the internal situation began to deteriorate seriously--and at the very time the ayatollahs were appropriating power in Iran--the Soviets, preoccupied, set about to devise means of salvaging the situation in Afghanistan to its own advantage. Their initial policy called for eliminating Hafizullah Amin, strong man of the Khalq, openly attacking his government's excesses, canceling its less popular moves, and installing a pluralist government, not excluding the Parcham. When these policies failed, Amin dismissed Taraki in September 1979.

While Amin sought to save the situation with the help of Pakistan and the West, the Soviets began to plan their invasion in broad outlines. Moscow provided political refuge for those who supported Taraki against Amin, made contact with the Parcham exiled in Eastern Europe, and sent for Babrak Karmal.

It increased its military presence in Afghanistan to persuade Amin that greater Soviet assistance was needed in the conflict with the Afghan guerrillas, and amassed a powerful array of troops on its common border with Afghanistan.

These actions foretold a massive Soviet military intervention against President Amin. Surprisingly, other nations made no effort to react or even to protest against the Soviet Union's intentions.

On 27 December 1979, the USSR launched its invasion on the pretext that the regime ousted by Amin had petitioned its intervention. Curiously, Babrak Karmal, leader of the sham government, was out of the country at the time. The Soviet troops occupied military bases, overthrew Amin, who was assassinated in the confusion, and installed Karmal in his place.

Soviet Intervention and Islam

Rome L'UMANITA in Italian 26-27 Apr 81 p 4

[Article by Tonino Tani: "Moscow's Islamic 'Risk' in its Afghan Adventure"]

[Text] With their invasion, the Soviets adopted a strategy of pacification. Their priority policies were: to emphasize the importance of Islam; to denounce the involvement of the United States and China in the Afghan crisis; to reconcile the differences that divided the antagonistic factions of the PDP and win their favor of the Soviet Union; to modify some of the less popular economic reforms; to recruit a pro-Soviet Afghan army; to deploy some 85,000 Soviet troops against their numerous religious, ideological, regional, and tribal enemies; and to intimidate neighboring countries increasing to prevent them from giving aid to the Afghan opposition.

From the beginning of the invasion, the Soviets put forth a major ideological effort to win popular support. Sensing the strong political power of a revived Islam in Afghanistan and elsewhere, the Kremlin has sought to head the religion off from open anti-Sovietism and at the same time to cultivate an anti-American orientation among the people.

Most of the Kabul government's pronouncements stress the overriding importance of Islam. The red flag of the Khalq has been replaced by a green flag, the color of Islam. An office of "Islamic Studies" was instituted under Karmal's direction. Religious leaders clapped into prison during Amin's sway have been released. Kabul's new legislators hold meetings in various parts of the country. A national congress on "Scholars and the Clergy" was convoked to show "respect for the sacred religion of Islam" as an integral factor in the government's program.

Attempting to outdo Ayatollah Ruhollah Khomeyni of Iran, in all his speeches Babrak Karmal emphasizes devotion to Allah with quotations from the Koran and "allahu akbar" (God is Omnipotent) chants and references to Afghanistan's Muslim tradition. Among others, Karmal accuses the United States of extending only a false friendship to Islam:

"Compatriots, nations like America, Great Britain, and China make hypocritical orations in their appeals to Islam. It is not written in the Koran that the Jews are not entitled to a land of their own? Is it not written in the Koran that the Jews are enemies of Islam? Because they support the state of Israel, the United States, Great Britain, and China have become friends of the Jews." A delegation of 88 Afghan religious leaders were welcomed to the USSR to "admire the mosques and sites of religious events, and to participate in round table discussion with Soviet Muslims" so that they could see with their own eyes that the Soviet Union is a Muslim nation. Among Karmal's most surprising statements was his declaration that the invasion of 27 December represented an intervention of God the Omnipotent no less than "an act of God" on the part of the Soviets.

It goes without saying that from the outset of the invasion, the Soviet mass media took little trouble to describe the true state of affairs in Afghanistan, especially when their military difficulties worsened. In the various reports they issued, the Soviets did everything possible instead to win popular support both in Afghanistan and at home.

In the 42 weekly broadcasts transmitted from Moscow to Afghanistan in the Dari and Pashtu languages, and in their controlled propaganda, the Soviets sought to convince the Afghans and others that their invading army was very "limited," moreover that its help had been repeatedly requested to "legitimize" the Afghan Government. In other words, the "dismissal" and assassination of Amin had been the work of "the Afghan army alone," supported, of course, by the majority of the population.

The Soviet Union's only function as benefactor of the Afghan people, therefore, was to defend the country against eventual threats from external forces. The list of nations accused by Moscow of attacking Afghanistan includes the United States, China, Pakistan, Egypt, and Israel. President Amin was denounced as an agent of the CIA. The reaction of the United States to the invasion of Afghanistan was described as one of America's persistent attempts to revive the Cold War in order to assure

itself a "hegemonic position." President Carter's speech in January 1980 was interpreted as a declaration of America's right "to intervene in any part of the world, wherever such interference would serve its interests." In a speech in February 1980, Leonid Brezhnev stated that "Interference in Afghanistan by the United States and China" was a threat not only to that country but to the Soviet Union itself.

Economic Problems, Popular Resistance

Rome L'UMANITA in Italian 5 May 81 p 5

[Article by Tonino Tani: "Karmal's Unsuccessful Attempt To Broaden the Base of his Regime"]

[Text] Since the invasion one of the Soviets' principal aims has been to reinforce the base of the Karmal regime's support and to restore harmony between the two rival PDP factions, with some government posts going to men not enrolled in the party.

Before his installation as president, Babrak Karmal sought to head a united party. To that end, several Khalq followers, mainly among those who had remained loyal to Taraki, were awarded posts of some importance in his government.

Close observation shows many indications that the Soviets have not achieved the desired success in fully integrating the two groups. Many conflicts have been reported between them, both in the civil sector and the military bureaucracy. Like Karmal in 1978, one of the more prominent figures, Sarwari, was dismissed from his post and shunted off to an ambassadorship in a capital favorable to the USSR, Ulan Bator. In the military sector, there have been instances of disputes, even gun battles, between the two factions.

For example, an order given to a Parcham officer to replace a Khalq partisan commanding the 14th Division was a contributing factor in the soldiers' mutiny of August 1980. The following October shootouts occurred in the 4th and 15th Brigades in the Puli-Charkhi garrison near Kabul.

Apparently some Parcham followers, victims of outrages perpetrated by Khalq men, were taking revenge on Amin supporters, and Taraki himself, while Khalq partisans, who had previously accounted for two-thirds of PDP membership, denounced their Parcham rivals as usurpers incapable of governing.

To forestall a total rapprochement between Moscow and Parcham, Khalq could unite its forces and actively oppose Soviet presence in their country. On the other hand, the Soviet Union could maintain contacts with Khalq as a reserve should Karmal fail to keep the situation under control. In that event, nothing could stop Moscow, for example, from rehabilitating Sarwari or putting other Khalq leaders at the summit.

Karmal's efforts to broaden the base of his regime has been a failure. At first he asserted that the government should be founded on a "national united front under the working class," and promised a "revolutionary tranquillity, including the elimination of arbitrary arrests and executions." To judge from his speeches, the Afghans can

rest assured that, following his "new revolutionary model," they would fully enjoy the right to form "progressive and patriotic parties." Among Karmal's concessions was a national assembly to ratify a new constitution; it was certainly not by chance that a dozen non-party men were taken into the government.

Like other elements of Soviet strategy, why has his attempt to broaden his political base not succeeded? For one thing, because opposition parties have not been sanctioned, for another, because Afghanistan is in a state of war, with the majority of the population opposed to the Soviet occupation. Karmal's efforts to win general consensus have failed, in short, because of the presence of Soviet troops on Afghan soil.

Meanwhile, most urgent is the economic problem. While the Moscow-backed regime has been reaching out for national approval by annulling some of the "radical" reforms enacted by the previous government, curiously enough the private sector has been encouraged by the customary inducement of extended credit; furthermore, private companies are being paid higher prices for the supplies they sell to the government.

Paradoxically, Karmal maintains that "It is not our obligation to practise socialism." By agreement with the Afghan Chamber of Commerce and Industry, the government has returned "illegally confiscated" capital and investments, sanctioned direct trade agreements with foreign firms--naturally under state control--and reduced customs duties. To encourage private industry, the regime has transferred 20 import companies hitherto controlled by the state to private ownership. Afghan sources report that in the first 4 months of 1980, goods imported by the private sector totaled \$88.3 million, an increase of 50 percent over the same period in 1979.

Afghanistan's foremost trading partners today are the Soviet Union, Japan, West Germany, and India. In the first quarter of 1980, trade with Japan tripled over the same period the year before. As for the Soviet Union, one of Karmal's first acts was to conclude a new trade pact, tripling the exportation of natural gas to the USSR.

As ever, the Soviets are paying a price considerably below the international rate for Afghan gas, which provides a highly valid substitute for the product previously imported from Iran.

Under Soviet occupation and rent by war, Afghanistan faces mounting economic woes, which have intensified the unpopularity of the Karmal regime.

The population is reported to be suffering serious deprivation of basic foodstuffs, such as grain, rice, and meat. Funds transferred to the country by emigrant Afghans have dropped notably. Worse yet, the development projects sponsored by the Asian Development Bank have been suspended.

Because of Soviet military strategy, which seeks to flush out partisans by destroying whole villages, and the flight of many farmers to Pakistan, Afghan agriculture is now in a state of collapse, a breakdown which had begun previously with a poorly conceived land reform. Some observers conclude that hunger and siege are deliberate factors in Soviet policy. Shopkeepers' strikes have been organized to protest the Soviet occupation, and rebels frequently interrupt overland transportation. In addition, the Afghan air lines were recently obliged to cope with a walkout in some 250 of its installations, with commander pilots among the deserters.

All these factors have contributed to a notable increase in Afghanistan's economic problems. The result: a critical scarcity of goods indispensable to everyday life, and a vertiginous rise in prices.

Military and Diplomatic Difficulties

Rome L'UMANITA in Italian 8 May 81 p 4

[Article by Tonino Tani: "Karmal and the Failed Attempt To 'Sovietize' the Afghan Army"]

[Text] With the invasion under way, the Soviets undertook to reorganize the Afghan armed forces (numbering 100,000 troops in the preceding year of 1978) for the purpose of reducing considerably the Russian army's losses. A first wave of purges had occurred in the period between the overthrow of the regime in April 1978 and the outbreak of the war, during which time morale had declined among the ranks and many soldiers had defected. With the invasion, the number of defections multiplied. Indeed, late in July 1980, the 14th Division, stationed at Ghazni, mutinied. By September of that year, the Afghan army counted only about 30,000 men.

The Kabul regime adopted various measures to increase the size of its loyal forces fighting the rebels, among them lowering the age limit of draftees from 22 to 20 years and recruiting men previously exempt from military duty (teachers, students, and heads of households obliged to support their families) because it was feared that forced enrollment might well induce them to join up with the insurgents.

Under Soviet supervision, the government also set up a militia of young recruits, offering a higher monthly stipend of \$160 as an incentive. According to word from Kabul, during August and September these youths were locked in battle with the partisans in the area around Mazar-e-Sharif in southern Afghanistan. Many young Afghans are being sent by the government to the Soviet Union for military training. Observers report that the Soviets, evidently stumped by the problem of containing the insurgents' counteroffensive, have been obliged to call upon Cuban and Vietnamese experts for help. Furthermore, given the unexpected prolongation of the conflict, the USSR has attempted to bolster its own forces "with older, more experienced soldiers to replace its young, inexperienced troops, who form the backbone of the Soviet army in Afghanistan."

As of September 1980, the Red Army's invading force numbered some 85,000 men, with over 320 pieces of war equipment, including more than 80 MI-24 helicopters, the weapon most feared by the partisans; over 100 MIG-21 and about 30 MIG-23 warplanes; and various Ilyushin bombers. In addition, the Soviets keep a powerful reserve force poised on its Central Asian territory bordering on Afghanistan. To secure their friendly relations, the Soviets and the Karmal regime signed a pact similar to the treaties binding the Eastern European satellite countries to the USSR.

The Soviet Union is constantly exerting pressure on Afghanistan's neighboring countries for the explicit purpose of countering their adverse reaction to the invasion, which took the Muslim nations by surprise. In the United Nations and at the Islamic Conference, these countries denounced the USSR's aggression against a small member of the international nonaligned community. Since repeated efforts to resolve the crisis on a regional basis had produced no positive results, on 29 January 1980, the Islamic Conference voted to cancel Afghanistan's membership until the Russians withdrew their troops from its territory.

Pakistan and Iran joined the boycott against the Olympic games in Moscow, and some of Afghanistan's neighboring countries, particularly Pakistan, are supplying limited quantities of aid to the Afghan resistance movement. Egypt, too, is furnishing war materiel and training Afghans.

The Arab states, however, tend to see the Afghan situation as a problem secondary to the Palestine question. Because USSR influence could well contribute decisively toward resolving the Arab-Israeli quarrel in their favor, they do not want to compromise their amiable relations with Moscow. The Soviet Union, alert to this fact while encouraging the Palestine Liberation Organization (PLO), is working to minimize the Kabul regime's alienation from the other Muslim countries. Those which depend upon Moscow for economic and military support, for example Syria and India, are going to considerable lengths to avoid antagonizing the Kremlin on the issue of its Afghan adventure.

Other states subjected to open intimidation have intervened only to a small extent. This is true especially of Pakistan and Iran, both of which have been warned against lending aid to the Afghan rebels. Pakistan's situation is particularly sensitive. Islamabad's actions will largely determine the success or failure of the USSR's policies in Afghanistan. An ideal refuge for partisans in voluntary exile, Pakistan could obstruct the Kremlin's efforts to subdue the Afghans or, by taking sides with Moscow, rapidly turn the tide in its favor.

Consequently, the Russians have not hesitated to put strong pressure on Pakistan. Their planes frequently violate its air space, and Moscow is supporting its political factions in open opposition to the government of President Zia-ul-Haq, with the express purpose of seeing him replaced with a government hostile to the Afghan partisans. A number of Pakistani anti-Zia leaders have visited Kabul and New Delhi. Given the urgency of the Afghan question, the Soviet Union could also invade Pakistan for "defensive motives" in order to achieve a victory.

9653

CSO: 4404/24

ISRAEL SAID TO BE 'IN DANGER OF DEFINITE DESTRUCTION'

Tehran TEHRAN TIMES in English 25 May 81 p 1

[Text] On the last two days we discussed certain points concerning the implementation of Iran's Islamic Revolution and its impact on the United States and its illegitimate child 'Israel,' in the Middle East which is in danger of definite destruction.

During these two days we also discussed the U.S. interest only in its own existence causing it to commit offences taking the form of two attacks through U.S. mercenaries, Saddam and Begin, on Iran and Lebanon.

We briefly gave ~~view~~ about the impact of the nasty plots of the U.S. within the country and ~~now~~ we try to throw light on the same impact outside the country.

To hit the World Liberation Movement: After the success of the Islamic Revolution the freedom fighters who did not have any base to start their movements now felt at home in Iran. Militants who for centuries had fruitlessly looked everywhere now found a focal point from where they could continue their armed struggles for independence. They, therefore, organized a conference of the Liberation Movement in Tehran. This conference was a landmark for all the freedom fighters and would have helped their closer cooperation and collaboration. The United States through the imposed war tried to close all these very avenues in the freedom fighters' struggles and endeavored by this move to stall their activities.

To create feelings of disappointment among the Moslem world particularly in the Middle East: Feelings of great hope and enthusiasm gripped the Moslems of the world after the success of the Iranian Revolution, feelings that just cannot be explained in words. The people of the world welcomed this revolution with such great fervor and enthusiasm that the close friends of the shah such as Husayn of Jordan and Hasan of Morocco pretended that they supported the revolution.

America was hoping that through this imposed war they could propagate the belief that the war was the gift of the revolution to the country.

The U.S. planned not only to defame this revolution but also to disillusion the Moslems of the world of the Islamic Revolutions.

Divisions among the Arab countries: Lack of the unity is one of the main factors for Zionists still being able to stand against 100 million Moslems of

the region. Every day a new plot was hatched to make the unity of the Moslems of the region weaker and weaker. The U.S. wanted to deal a final blow to the unity of the Arabs through the imposition of war on Iran.

We have already seen how the satellite countries of the United States such as Jordan, Morocco and Saudi Arabia have been helping Iraq directly or indirectly. And the progressive countries of the region such as Syria, Algeria and Libya support Iran and the Islamic Revolution.

Preparation of the groundwork for a policy through which the reactionary regimes of the Arab world may support Israel. The biggest opportunity was provided to reactionary Arab regimes with Israel. Egypt assumed ties with Israel, and Iran from the very beginning of the success of the revolution severed those ties with Israel. When countries such as Jordan and Morocco stand against Iran in the event of war it means that they are following Egypt's line, the line of one who is the friend of Israel.

Now one can easily understand what it all means. Reports from different but reliable sources speak of contacts between top-ranking officials of Jordan, Morocco, Egypt and Iraq...with the Israeli Zionists. The recent visits of the United States' officials to these countries are the obvious confirmation of our claim.

IRAN

IRAN-GERMAN RELATIONS DISCUSSED WITH FRG ENVOY

Tehran ETTELA'AT in Persian 25 May 81 p 6

/Text/ The anniversary of the ratification of Germany's Constitution, 23 May, is considered "National German Day," and is celebrated by the people.

The deputy ambassador of the Federal Republic of Germany (West Germany) in Tehran made the above statement concerning the national day of the Federal Republic of Germany and answered questions put to him as follows.

Question: What is your opinion concerning Iran-German economic relations and what do you foresee for them in the future? As you know, because of the new conditions in Iran resulting from the victorious revolution of the Iranian people, Iran-German economic relations have declined to a minimum. In your view, in what way will economic relations between the two countries continue and expand?

Answer: In Iran-German economic relations, despite the fact that the conditions have generally become more difficult, no large new project has been started but most of the old projects still continue and commercial trade follows its usual course.

The Iran-German joint industrial progress continue, although in certain cases, especially in pharmaceutical industries, a number of problems have arisen. But of course, I would not want to deny that the Iranian companies' failure to pay their large debts to the German distributors, which have mostly resulted in the German companies' resorting to the use of the export credit insurance (HAMBURG), has, unfortunately, created some obstacles for the expansion of economic relations between the two.

The German factories and companies will participate in the large exhibition in Tehran and we would be greatly pleased if this year, too, Iran takes part in the overseas import exhibition called "Partners in Progress" in West Berlin.

Question: How extensive was trade between Iran and Germany in the past and how is it now?

Answer: The Federal Republic of Germany in 1978, the last year before the Iranian Islamic revolution, exported to Iran \$1.4 billion in goods and imported from Iran \$2.1 billion in such things as crude oil, carpets, dried fruits, sheep intestines, etc. In 1979, German exports to Iran decreased, of course, by 62 percent, temporarily, for a short time. However, in 1980, German exports to Iran increased 17.3 percent, to \$1.5 billion.

In regards to imports, the expansion of trade has been difficult. German imports from Iran in 1979 increased by 10.5 percent because of the increase in the price of crude oil after the Islamic revolution of Iran. In 1980, German imports from Iran decreased 19 percent amounting to \$1.5 billion due to the decrease in Iran's oil exports in comparison with those of the previous year.

The largest Iranian project begun before the revolution with the help of German companies, a large portion of which has been completed--namely the Bushehr atomic energy plant--will, as you know, not continue because of the change in priorities of the Islamic Republic of Iran.

In addition, between the two countries, Iran and the Federal Republic of Germany, there is a contract concerning the expansion and support of investment institutions, but thusfar no official talks have taken place within the framework of this contract.

Question: Have the Iranian government and economic authorities had contact with you concerning economic relations between the two countries?

Answer: A few months after the Islamic revolution of Iran, a government committee of the Federal Republic of Germany headed by a high ranking official of our Ministry for Economics came to Tehran and held talks with several ministers and deputy ministers. These talks were held in a very good atmosphere and at the time we were given certain assurances concerning the resolution of past debts. But I would not want to go so far as to claim that in this regard the results have been tangible.

Question: Germany was one of the purchasers and consumers of Iranian oil. Is the German government taking steps to buy oil from Iran directly at the present time or does it take care of its needs through the oil consortiums.

Answer: In the past, we fulfilled our needs for Iranian oil mostly through international companies and today, too, we do the same. At

the present time, as far as I know, there is no contract between the Iranian oil ministry and German companies for the direct sale of oil.

Question: As you know, a large number of Iranian students are studying in your country. Considering the shortcomings and difficulties created for students continuing their educations in some countries, will Germany retain its cultural ties with Iran?

Answer: Educational conditions for Iranian students in German universities are the same as for other foreign students and no restrictions have been placed on Iranians since the Islamic revolution of Iran.

And presently, 5,000 Iranian students are studying in our country.

Question: As far as we know, the German government had certain agreements with the Iranian government for technological and industrial cooperation, especially in training experts and specialists. I would like to ask what stage these agreements are in and whether they have been terminated since the revolution? If they have, what is the reason for their termination?

Answer: These agreements, including the agreement to send German communications specialists, are still valid. But for the time being, this planned cooperation is not in effect.

Question: The government of the Islamic Republic of Iran is presently focusing most of its economic policies on creating factories and parent industries whereas in the past, Iran was merely a consumer. In your opinion, in what way can your country cooperate with Iran in creating parent industries in this country?

Answer: The policy objective of the government of the Federal Republic of Germany is to help the development and growth of countries. Of course, Iran, with its oil revenues and large number of specialists, is in such a favorable situation that it is able to disregard assistance in its development and growth in a traditional sense. Iran can provide itself with the necessary technical equipment and knowledge, especially in heavy industries, which appears to be what Iran has in mind. The German economy is very strong and is constantly prepared to cooperate.

Question: Considering the fact that Iran at the present time is in great need of agricultural equipment and machinery, as it is trying to modernize and mechanize its agriculture in order to become self-sufficient in food production in the near future, in what way do you think your country can cooperate in this area?

Answer: In the visit of our government envoy in Tehran which was referred to earlier, most of the discussions centered around this

point. Consequently, different German companies were requested by Iran to offer proposals. And we hope to have fruitful cooperation in areas such as animal husbandry and chicken farming. In addition, German factories are regularly participating in the agricultural and food exhibitions in Tehran.

Question: The Iranian people would like to know the opinions of the German government and people on the Islamic revolution of Iran. Could you explain?

Answer: The Federal Republic of Germany always and everywhere recognizes the rights of any nation to determine its own destiny and choose its own political, economic, and cultural system, whether it is the Palestinian nation or the Iranian nation.

The government of the Federal Republic of Germany supports the principles of equal rights, mutual respect, non-interference in the affairs of others, and cooperation in the interest of both sides. And this applies to the Islamic Republic of Iran.

0553

0701: 49036/070

IRAN

DECLINE OF MONARCHY DISCUSSED BY OPPOSITION PAPER

Paper IRAN-E AZAD in Persian 16 May 81 pp 1, 2, 7

[Text] The conspiracy of 1357 [79-80]--which was formed by a group of political bankrupts and aided by religious reactionaries and anti-national communists gained the endorsement and respect of a bunch of self-centered, treacherous, pseudo-intellectuals; enjoyed the patronage and support of the spies and agents of the Anglo-American intelligence services; was fed by the unlimited rials of a group of dependent profit-seeking bazaar merchants, the dollars of Qadhdhafi, and the rubles of the Soviet Union and the countries of the Eastern bloc; and attracted a great crowd of the riffraff, the uninformed, politically narrow-minded individuals, hoodlums, terrorists, and religious fanatics--confronted from the very beginning the opposition of the great majority of Iranian people. But this silent majority--which was faced suddenly, defenseless and stunned, with the huge anti-national propaganda machinery and was cornered by the most skillful writers, speakers, and propagandizers who followed the ("Kublez") school, the trainees of the spy schools of the Tudeh Party, and "made-in-England" clerics--unfortunately, did not have the chance to defend their national honor and dignity and their country. The loud voice of traitors deceiving the public--such as the Tudeh members in charge of the Writers Guild (kanun-e nevisandegan), some of the leftist writers of the press, a number of universalist teachers of schools and universities, and a group of trained terrorists in the Palestinian, Chinese, Cuban, and Czechoslovakian guerrilla camps; along with the huge guiding wave of Western propaganda headed by elements such as Eric Rouleau, Michele Foucolt, (Roger Garudi), Rene Dumont, and Chomsky as well as the operators of the BBC, PEYK-E IRAN, and Radio Baghdad; and American spies such as Richard Cottam, Marvin Tomic, James Hill, etc.; as well as the political and military intrigues of the Fardusts, the Huysers, Cyrus Vances, George Balls, and Henry Freshta--was showered so powerfully over the heads of this noble and frightened Iranian majority that it eliminated in them the ability to react and the instinct to resist and it changed millions of the most noble people of the country into indecisive observers. This great majority, on the one hand, was forced through recognized techniques of terror, by force, and with threats to their lives and

possessions into the populous sections of Tehran and other large and small cities to participate in anti-national demonstrations and marches. On the other hand, they were undergoing the gradual stages of brainwashing and psychological paralysis under the psychological pressure of the lies of the clerics (from the pulpits) and pseudo-intellectuals (in their public speeches, gatherings, and articles). The reliance of these stunned patriotic people on the government and the legitimate rule of the country and the security and law enforcement forces was another factor which prevented the great masses of the Iranian people from defending themselves and caused them to do nothing to counteract the open conspiracies. Hence, it was with the fall of the army and the government that the people were left defenseless and ambushed and a bunch of traitors, profiteers, and servants of foreigners were able to force on our deceived, frightened people a conspiracy which was not harmonious with the basis of our nationality, nor did it include a solution to the problems of Iranian society, nor did it offer any reasonable proposal for the continuation of progress and material and spiritual prosperity of the country, nor did it essentially offer (because of its reactionary, anti-national nature) any hope. And the infernal Western propaganda network, too, made of this national tragedy a great, hateful, theatrical show called a "revolution" and presented the collective suicidal moments of a deceived group of people as "revolutionary zeal." This was a puppet show whose characters were made up of the large and small puppets of the large and small foreign powers and its script contained deceptive terms such as "freedom," "independence," "social justice," "Islam," "fight against imperialism," etc., the second act of which revealed what nonsense it all was.

Fortunately or unfortunately, this calamitous conspiracy, due to its anti-Iranian nature, nurtured its own opposition from the very moment of its inception and was confronted with a wave of opposition and potential opposition. This opposition was rooted deep in the society and took a national and humane stance against the anti-Iranian conspiracy, the "Islamic revolution."

This opposition, which from the beginning consisted of the humiliated, plundered, silent majority, soon raised its voice from inside and outside the country and made the world understand that our nation will not tolerate forever that which has been forced on Iran by the huge, international Marxist propaganda apparatus, involving the most reactionary religious forces and the wishes of other countries. In this manner, the sacred national struggle to free the country began from the day after the fall of Iran.

Meanwhile, with the gradual formation of the opposition and the falling of the initial stunned state of terror, the result of surprise and defeat, gradually and naturally, several of the opponents of the Iranian situation claimed the leadership of this movement and, relying on their reputations and by taking advantage of certain

opportunities, were able to gather certain groups around them. And after a while, a group of the leaders of the 1357 [79-80] riot whose lives and possessions had been threatened by the close cohorts of Khomeyni left the religious rebellion and the Islamic government and joined the opposition. What these opponents of the regime of the Islamic government have done during the past two years, what successes and failures they have had, what experiences they have gained, and what progress they have made are well known and are beyond the scope of this article.

We are now at a stage where during this period the operators of the ugly revolution (!) through their incompetence, crimes, unending opposition to whatever is national or nationalistic, and their destruction of all that has made up the civilization, culture, and progressive organizations of the country, have dug their own graves. On the other hand, the communists, too, who consider the Islamic revolution (!) only one of the stages in attaining their red revolution, are consolidating their power and making preparations, awaiting the time for the occupation of Iran. But at the same time, the enmity and opposition of the majority of our people, from top to bottom, towards the "revolutionaries" have reached an irreversible stage and will put an end to this destructive conspiracy. In the course of this period, the more the functionaries and leaders of the bloodthirsty Government have been discredited and their power and influence have decreased, the more the oppositional, patriotic, and truly nationalistic forces have increased. Presently, these genuine people's forces are about to take the destiny of their calamity-stricken country into their own hands.

But meanwhile, most of those who claim the leadership of the nationalistic forces are being left behind by the freedom movement. While the people were preparing to strike a blow against the revolutionary (!) regime, these gentlemen were occupying positions in the usurping government or were trying to gain the favor of its leaders. When the time for striking deadly blows against the Khomeyni regime by the nationalists began, these gentlemen introduced the slogan "misguided revolution" and merely demanded the correction of the process of the revolution (!). And today, when the nation has risen with all its might to fight and demand the complete elimination of this destructive revolution, the reinstatement of the constitutional monarchy, and the return of the Shah to Iran, those gentlemen, out of touch with the people, are still shouting the same old slogans of yesterday in today's struggle and tomorrow's victory.

Unfortunately, the lack of information of the leaders of the opposition on the undeniable realities in Iran, their lack of attention to the unbelievable speed of change in the country, as well as their self-centeredness and selfishness have reached such a degree that without realizing the situation, each one imagines himself to be the sole of the opposition and the only hope for its struggle. And based

on this belief in themselves and a small number of those around them, they offer solutions and call for the people's support. One of them considers the formation of a council made up of a group of unknown people as the solution. This council would supposedly commission a government to administer the affairs of the country (precisely like Khomeyni's Revolutionary Council). Another would become the leader of the country himself and personally form a transitional government. A third one requests a "referendum," and it goes without saying that he imagines himself the winner in the referendum. A fourth wants to instigate a military coup aided by those around him. Others, too, express different views and offer their own and their friends' ideas as the "only solution." But, what all these claimants knowingly or unknowingly ignore (besides the problem of the methods involved in the implementation of these plots and plans) is this question: What factor or factors give legitimacy and credibility to these gentlemen and their proposals and plans? In other words, why should the Iranian people prefer X to Y and accept either as the leader or the chief of the future government? And how could the people be assured that these gentlemen are telling the truth and would not change their ideas and intentions halfway down the road? In short, essentially on what basis do these gentlemen consider themselves above others in the hierarchy of the opposition?

None of those who have laid claim on the leadership have answered these questions. All they have done is display and sell their ideas like goods in the slave market, hoping to attract customers.

To secure legitimacy for the opposition, one, and only one, solution exists. We have proposed this solution before and we do so again: The Constitution for Iran is the only means of creating legitimacy; it is the only national covenant which can secure the rights of the nationalists struggling to free Iran. This Constitution is the legacy of the glorious Constitutional Movement which has been perfected in the course of several decades by the representatives of the people and has foreseen the best solutions for all of the problems of Iran today and tomorrow. This Constitution was abandoned as the result of a domestic and foreign conspiracy and was abolished in a forced, illegal referendum under conditions in which the people had no freedom to express their opinions. Hence, from a legal and national standpoint, the only solution is to return to the Constitutional law which will ensure the future of Iran. The Constitutional law has been violated, but its legitimacy still remains.

In the Constitution, the Iranian people have established three principles for the government: the shah, who is the manifestation of national unity, is chief of the three branches of government and the commander of the armed forces; the government is responsible for the executive branch; and the two Assemblies [of the Parliament] are formed by the representatives of the people, supervise the implementation of the Constitution, and make up the legislative body.

Under present circumstances, two of the three above principles have been usurped by the occupying regime of the Islamic government and are not playing their proper roles (government and the Parliament). But one of these principles, the position of the monarchy, fortunately, remains and must play its legitimate and historical role and do its duty to free the country and manage the affairs of Iran's future. Therefore, the Constitution is the only authority by which the opposition can obtain legitimacy. And its only remaining legitimate institution at the present time is the person of the shah. Under present circumstances, the shah can, as the representative of his people, put his seal of national approval on the opposition, legitimize it, and make it legal. Only those forces of the opposition which openly declare themselves committed to the Constitution and its Amendments can gain national acceptance and public trust, which is the means for the freedom of the national document of the Iranian people. And this commitment must be declared to the shah of Iran. Then the shahanshah of Iran--who is the symbol of the national will outside the domain and influence of the oppression and suppression of the usurping government--will be the judge between the people and those who claim leadership.

From this standpoint, those who with their miserable maneuvers occasionally speak of the Constitution and then through the opposite speeches or actions try to camouflage their views in ambiguity and doubt are those very people who are waiting for the foreigners to tell them what to do and give them a "green light." And those who speak of the Constitution with many "ifs," "buts," conditions, and prefaces are only seeking to profit themselves and are trying to deceive the public more than ever before. Those who do not accept the Constitution are well known to the people of Iran and they have, in fact, taken their positions in the camp of Khomeyni, Bani-Sadr, the communists, and other criminal revolutionaries and they will have to answer to the people tomorrow when the country has been freed.

At the same time, the people, too, know their duty and act accordingly: they ask anyone who claims to be a political struggler to document the legitimacy of his actions and ask of anyone who speaks of Iran's future a commitment to the Constitution. Meanwhile, the bitter experience of the Tudeh Party, the Cabinet of Qavamolsaltaneh (who with his opposition to having a few ministers in his Cabinet opposed the foundations of the government), the National Front (who, while shouting for the Constitution, handed the country over to the usurping government), and other bitter experiences of contemporary history have, of course, not been and will never be forgotten.

REPORT ON GROUP PROSECUTED BY MILITARY TRIBUNAL

Tehran KAYHAN INTERNATIONAL in English 25 May 81 p 2

[Interview with Judge Hojjat-ol-Islam Rayshahri]

[Text]

In the course of the war imposed on Iran by the aggressor regime of Saddam Hussein, the brave and valiant tribes in the west and south of the country, have cooperated closely with the courageous Revolutionary Guards and self-sacrificing Armed Forces, in expelling the invading enemy from our homeland. Here in the following columns, we are presenting our dear readers with a report on the heroic operations of the Iranian tribesmen in the western fronts. The report has been prepared by an army reservist:

The resistance and courage of the valiant tribes in the western regions of the country is not hidden to any patriotic Iranian, and almost every Iranian citizen knows, more or less, about the heroic struggles of the western Mobilization Tribes. Everyday, the Muslim tribesmen in the western battlefields, inflict losses upon the invading Ba'athists of Iraq in the war of Justice against Falsehood. There is not even a single night that the coward mercenary Iraqis can sleep comfortably having a great fear of the guerrilla attacks by Iranian tribal militia.

Most of the time, Iranian mass media and even the deceitful radios of Saddam, disclose reports

on the successful operations of these fighters in the western regions.

There are many tribes in the western sectors of the country, from Biyonidi to Gahvareh and Palan, Sar Pol-e Zahab, Gilan-e Gharb, Qolqoleh, and so on, who are protecting their lands, without any expectations. Enjoying a very high morale, and having very limited facilities, these combatants ambush Iraqi forces and inflict severe blows upon them.

It was about 9:30 a.m. that, accompanied by some of our combatant brothers, we moved toward the Sar Pol-e Zahab garrison. On our way to the garrison, we rarely saw private cars. Instead, we could see the movement of military vehicles and the strict controlling of the roads by central military policemen. It was around noon that we arrived at the Abuzar garrison. Upon our arrival we immediately went to the Headquarters of GMJN (Joint Group of Irregular Wars) tribes.

Fortunately, our arrival coincided with the presence of the leaders and commanders of the

Kalhor tribe, who were busy designing plans for operations to be carried out the same day. It was a good opportunity to get acquainted with them first hand. One of the tribal leaders said that their tribe occupied a land as large as that of Austria. He further said that all the Kalhoris including its 15 sections, were Muslim and faithful to the Islamic Revolution. Since the outbreak of the war we have been in the service of the Armed Forces, said he, adding that "our forces in the Gilan-e Gharb region and on the heights of Baraftab, Tang-e Hajian and Sar Pol-e Zahab have gained outstanding victories, alongside their brothers in the Armed Forces".

When I talked with the combatant members of this tribe, I learned more about their bravery and valor. They have great enthusiasm for the Imam and most of them had affixed a small picture of the Imam to their guns. They were really interested in meeting the Imam one day in order to get inspirations from his guidelines. On that day, 40 combatant tribesmen (of Kalhor) were

prepared to depart for the war-fronts. The firm determination and will in the fight of Islam against heresy astonished and at the same time gladdened us. And as a matter of fact, the Iraqi Ba'athists should have fear of such great and valiant men.

When we departed from the garrison it was getting dark and it was a good opportunity for carrying out night operations. It was a moonlit night and the movements could be seen within a few meters. At about 7.30 in the evening we reached the foothill of Bazi Deraz heights.

It was decided that we remain at the foothill but the tribesmen were to climb the mountain to replace their fellow combatants. The valiant tribesmen crept away and disappeared in the mountains. But all of a sudden, before passing the first height, the invading enemy started a heavy artillery attack upon the heights. The tribal militia came under a shower of artillery shells by the enemy troops. For one moment we thought that even one of them would not be able to escape death because the enemy's artillery was incessantly hitting the area. We were behind a stronghold gazing desperately at the land. However, after some time, which seemed like a century for us, the Iraqis stopped firing. We had prepared ourselves to go to the region to collect the bodies of our brothers. But suddenly, we were astonished when we saw one of the valiant tribesmen approaching us. He gave us a good news that all of his fellow combatants were alive and safe. Our eyes were filled with tears at hearing the news. We once again reiterated our belief in God's miracle for His faithful Muslims.

In a renewed attempt, the brave tribal militia climbed up the heights and after three hours they returned safely, together with the combatants already stationed on the heights. Of course, during this period, the enemy fired flares into the air to help its watchmen see the place better. But despite this efforts by the enemy, our tribal militia were so experienced,

clever and quick they hid themselves in a manner that they could not be seen even from a close distance. In fact, these valiant forces are the only ones who are familiar with every inch of this region, and it is for this reason that the Iraqi mercenaries fear them so much.

After the fulfillment of this mission, we returned to the garrison joyfully. Here in the garrison we had the opportunity to talk with those tribesmen who had spent 10 days and nights in the vicinity of the enemy forces.

One of the combatants expressed the hope that "God willing, we would hold the thanksgiving prayers in Qasr-e Shirin and Naft Shahr".

In conclusion, let's make reference to the measures and activities of the GMJN tribes in the west of the country. This group of tribal mobilization has been formed in cooperation with the Joint Staff Command of the Armed Forces of the Islamic Republic of Iran, under the leadership of a highly reliable army colonel. The group, so far, has achieved outstanding victories in the war which is now in its eighth month. The GMJN group has become so known that the duped and cowardly Iraqi forces tremble on hearing this name. Under a wise and sound leadership, our brothers in the Armed Forces, along with the valiant and compatriot tribesmen are continuing their fight against the enemy and are engaged in mopping-up operations in the region. These tribes include those of Sanjabi, Kalthor, Kuran, Qalkhani, Jalavand, Osmanvand. As a matter of fact, there is an incredible sincerity, unity and solidarity among these combatants, who are serving Islam with a single objective and ideology. Truly, this is another positive outcome of the Iranian Islamic Revolution and of the imposed war — an outcome that has strongly unified our combatant forces in the Army and in the tribal militia. It is really hoped that with such a unity and solidarity among the Armed Forces, the Revolution would succeed in defeating puppets like Saddam and would fight against Zionism for the liberation of Qods.

MONARCHIST GROUP PROSECUTED BY MILITARY TRIBUNAL

Tehran KAVILAN INTERNATIONAL in English 25 May 81 p 2

[Interview with Judge Hojjat-ol-islam Rayshahri]

[Text]

TEHRAN, May 24 (Pars) — The religious judge and the head of the Military Tribunal, Hojjatoleslam Rayshahri, participated in a televised press conference. The contents of his interview was as follows: "A counter-revolutionary organization named Pars has recently issued a number of communiques on behalf of the restoration of Monarchy. In the course of the prosecution, a group of 18 arrested convicts confessed that the major objective of this illegal organization was centered on the aggravation of the socio-political tensions throughout the country. The convicts have been arrested on the charge of planting explosives in public centers. In this respect, a document was secured which testified to a clandestine conspiracy against Iran by the Imperialist U.S.

This American collusion was contrived against the Islamic Republic of Iran in consequence of the Tabas fiasco, the unfulfilled chameleon coup d'etat on July 9, 1980 and the unjustifiable Iraqi military aggression. According to the confessions of the convicts,

the Iraqi invasion had been already negotiated in the coup d'etat headquarters. In fact, top priority had been granted to the imminent military coup. The Iraqi imposed war was considered as the second alternative in the absurd attempts of the counter-revolutionaries to topple the Islamic regime of Iran."

"In pursuit of her expansionist policy the imperialist U.S. extended political financial support to the anti-revolutionary sectors like the Pars Organization to adopt tactics to provoke national insurrection social chaos. However, their destructive policy was a failure in paving the way for further exploitation in our Islamic homeland. Under prosecution, one of the convicts confirmed that, 'the last Prime Minister of the previous autocratic regime, Shapour Bakhtiar, was the conduit for the financial and political support received from businessmen in the bazaar a few merchants have opened bank accounts for him (Bakhtiar) in Iran under various names. Moreover, the Iranian

insurgents had held discussions with Farah and Reza Pahlavi along with General Oveisi to restore the Monarchy. Two days prior to planting synchronized bombs at the Friday Prayers Congregation in Tehran, the members of this counter-revolutionary faction were arrested."

Towards the end of his press conference, Hojjatoleslam Rayshahri confirmed that, "The monarchy seekers affiliated with this counterrevolutionary organization, are about 250 to 300 insurgents. Furthermore, a trio consisting of Admiral Madani, the former Governor-General of Khuzestan, Hassan Nazih, the previous Oil Minister and Mr. Moghaddam Maraghei, the former Governor-General of Western Azarbaijan Province in the Provisional Government, have allegedly established a political campaign. The so-called 'disguised Ulama' in Iran cooperate with this counterrevolutionary campaign to carry out the imperialist plots against the Islamic Republic of Iran."

ECONOMIC ISSUES DISCUSSED BY MINISTER OF COMMERCE

Tehran JOMHURI-YE ESLAMI in Persian 5 Apr 51 p 8

[Text] Economic Service--Yesterday morning, Minister of Commerce Hoseyn Kazempur-Ardabili, together with his deputies, answered questions of news correspondents in a press and radio-television interview.

Kazempur-Ardabili, after introducing his deputies, said, "In general, at the close of each year, on the basis of the changes which have taken place in the economic system of the country, the import-export regulations of the country are compiled, and also some changes are made in the import-export regulations." He added:

"Taking into consideration the problems which existed in the preparation and compilation of import-export regulations for the current year, these regulations were studied on time and were published at the end of last year in the form of a collection.

"These regulations change depending on the matters of businesses, self-sufficiency, exchange limitations, and the limitations which exist in connection with such other countries as Israel and South Africa. At the same time, to be sure, attention has also been given to the pattern of consumption; and importation of some goods, such as billiard tables, key cases, decorated porcelain ware, watches with platinum and gold cases, videotapes, and some other goods has been declared illegal. Likewise, some goods have been included in the regulations as permitted by the ministries.

"Furthermore, some goods, such as varieties of fancy cheese, postcards, catalogues, greeting cards, photograph albums, nonalcoholic beverages, certain types of household hygienic needs, and electrical switches and outlets, have been included among those with increased commercial fees and customs duties. Also, the commercial fees and customs duties of some goods, such as spindles made of compressed paper, various types of fiber for construction works, jute, steel balls for the manufacture of ball bearings, spare parts for engines other than gasoline-⁴ and, and parts for agricultural machinery which are imported by the Agricultural Machinery Expansion Agency, have decreased. Among other changes in the import-export regulations was the abrogation of article 16 of those regulations, [according to] which, already when goods arrive at the customs office, their commercial fees and customs duties are collected at the rate for that same day." Kazempur stated:

"A committee keeps the import-export regulations under scrutiny throughout the year and makes necessary changes (in them) at any time during the year."

Concerning the plan to nationalize foreign trade, which is to be submitted to the Majlis on 26 Ordibehesht of the current year (16 May 1981), the minister said: "Six subcommittees have been formed to prepare this plan. The first of these will study those who are engaged in foreign trade. The second committee will examine Islamic writings, newspapers, people's opinions, and finally a summary of all theories pertaining to the principle 44 from an ideological point of view. The third committee will examine foreign trade in Eastern countries, Algeria, Libya, and Aden, and in the nonaligned countries such as Yugoslavia and Albania, and as a sample in independent countries such as China and India. The fourth committee will examine foreign trade from the point of view of the financial system, the tax regulations, the legal charter, and the organizational and employment chart. The fifth committee will examine foreign trade from the point of view of connection with other organs and centers as they are formed. In this committee, the priority of execution of foreign trade will also be studied. In the sixth committee, a group will investigate the nationalized exports, such as carpets, hides, etc., and a committee is also to examine the system of distribution of foreign trade. All of the committees should prepare their plans by 20 April so that a (sample) collection may be prepared after necessary changes and, God willing, by 16 May, which is the deadline date authorized by the Majlis, we can prepare this legal bill."

He then referred to the interrelationship between the chamber of commerce, industry and mining, and the committee on trade affairs, by saying: "The chamber of commerce has certain undeniable functions including supervision over the cards, facilities for merchants, consultation concerning the market, and issuing certificates of origin after the elections of the chamber. Close cooperation between this ministry and the chamber has been brought about. Also, with regard to the committee on trade affairs, certain interventions had occurred but through discussions which have been carried out, closer cooperation will take place. With regard to the recognition of trade, guilds, goods, and the election of the members of the trade unions this committee will render necessary assistance, and the line dividing the two organizations has been defined."

Concerning his trip to Lorestan province and Esfahan in the company of other officials in his ministry Kazerempour-Ardabili then said: "On this trip, we inspected all general departments and the 100,000-ton silo of Esfahan was inaugurated. The construction of this silo, which had been about 70 percent completed, had ceased after the revolution. Work on it began some 6 months ago, after several Italian technicians were brought back, and now we have begun production. Likewise, decisions were adopted on this trip concerning the plan to put war refugees and prisoners of war to work."

Concerning the steel situation, he said: "There are various steel importing and distributing organizations in the country; among them, the merchants, the government center for production and distribution as well as the selling of iron and the steel industry by domestic producers. Each one of these organizations has a separate distribution network. We have created a center called the National Distribution Center for Building Materials which will begin operation tomorrow."

This center will distribute the output of steel plant and other domestic production, as well as the steel which the government imports, so that the problem of the steel distribution may be solved. Orders have been placed for steel imports, but, because of port problems in shipping, difficulties have arisen. God willing, the problems will be solved and the steel situation will be stabilized."

In reply to our correspondent's question concerning the expansion of the warehouses and refrigeration plants and the completion of the unfinished refrigeration plants, the minister of trade said: "Work will continue on those refrigeration plants where less than 40 percent of the work, such as obtaining licenses, providing the ground, and the rest of the preliminary work, has been completed. Work on the completion of those refrigeration plants of whose construction 60 percent or more has been completed will be continued. Work on the completion of those refrigeration plants of whose construction between 40 and 60 percent has been done will be subject to a comprehensive study of such factors as location, etc. At the present time, we have 24 half-built refrigeration plants on which work shall continue. There is a company named the Storage and Warehouse Construction Company, which used to be a government company, and it has been decided that we shall increase its capital so that it can invest in this field."

Kazempur added: "From 21 March 1979 till 20 March 1981, the number of cooperatives in the country increased 11 times, and the cooperatives will play a major role regarding production and distribution of goods. In the event that a black market is created for some goods, the government will itself take steps for importation of those goods."

In reply to a question from our correspondent concerning the increase in the number of centers for production and distribution of goods, the minister of commerce said, "The centers which we want to set up are on the Brussels tariff basis, that is, a tariff of zero one to zero eight, from 18 to 24 and from 18 to 42. Until the preparation of a bill for the nationalization of foreign trade, these centers will continue to operate in the same form until the (nationalization) bill assigns the priorities, and then we shall increase their number."

IRAN

STEPS TAKEN TO ASSIST WAR REFUGEES

Allocation Provided by Government

Tehran TTTELA'AT in Persian 21 May 81 p 2

(Text) The Cabinet of the government of the Islamic Republic of Iran met in a session at 0400 yesterday, headed by Engineer Behzad Hosseini, the deputy minister of executive affairs and the government's spokesman. The meeting began with a recitation of verses from the Holy Koran.

In this meeting, first the minister of agriculture reported on the conference of the world food and agriculture organization of the Near East region, which was held in Rome and spoke of the existing problems and difficulties in the Ministry of Agriculture concerning the time-table for the country's self-sufficiency program for wheat.

The deputy minister and the director of the steel industries also reported to the Cabinet on their talks with the executive board of (Kerman).

Then, Mostafa Pirezadeh, the supervisor of the War-Victims Foundation in a brief report of their problems caused by the effects of the forced barbarian war of the Ba'athists of Iraq against our Islamic country in which they have lost their hearths and homes, asked for the cooperation of other organizations of the Islamic Republic. Some of the ministers accepted certain commitments.

In this session, the amount of 7 billion rials was approved for the War-Victims Foundation and the charter of the country's air services company (Aerian) was ratified. This company will have a general assembly made up of the ministers of roads and transport, economic affairs and finance, and defense and the assembly will be headed by the minister of roads and transport.

Among the other resolutions of the government Cabinet yesterday is the establishment of a national planning council which is to be supervised by the ministers, the heads of executive offices, or the

authorities of the revolutionary institutions. The meeting of the Cabinet ministers was concluded at 1030.

War-Victims Foundation Report

Tehran RTTELA'AT in Persian 21 May 81 p 10

[Text] The supervisor of the War-Victims Foundation announced today that the foundation has taken 1,700,000 war victims of our country under the wings of its coordinated services.

Engineer Mostafa Mirzaei, in an interview concerning the problems and difficulties of the War-Victims Foundation and what has been accomplished by this foundation, said: Since the War-Victims Foundation officially began its work, a sum amounting to about 12 billion rials was allocated to the foundation by the government which was used to provide various services to these fellow countrymen.

He added: Of this amount, about 9.5 billion rials were put at the disposal of the 24 provinces of the country on the basis of the number of refugees in each province, for building townships, creating camps, providing public needs, and for cash payments. Also, about 100 million rials were spent on health services and about 600 million rials on provisions for the residents of war-stricken townships.

The supervisor of the War-Victims Foundation said in regards to other accomplishments of the foundation: In this period of time, 700,000 pairs of shoes have been distributed among the war victims and 650 light and heavy vehicles such as vans, tank trucks for water, garbage trucks, motorcycles, small fire trucks, and buses have been sent to the townships. By mid Khordad (Jun), 20 bulldozers, 10 sick rakes, and 10 ambulances will be given to provinces in which the war refugees have been located. In this regard, he also said: With the coming of the hot weather, the foundation has taken steps to provide 2000 electric fans and 20 ice factories which will respond to a portion of the needs of the refugees.

Engineer Mostafa Mirzaei, responding to the question of the correspondent of FARO NEWS AGENCY concerning the difficulties of the foundation, said: Unfortunately, for some time now the aid and support of the people for war-stricken areas and war victims has declined. One reason may be the lack of coordination between the war organizations and the people's being unaware of the formation of the War-Victims Foundation and of its function. He then pointed out the role of the mass media, especially the Voice and Picture of the Islamic Republic (Iranian radio and television network) in informing the public about the problems of the war victims saying: The Voice and Picture of the Islamic Republic has not, as it should, paid proper attention to the question of the war refugees. This organization can, through reports concerning the condition of the townships

and the life in them, make the people aware of the importance of the problem of the war refugees and victims. The Supervisor of the War-Victims Foundation added: The people should realize the fact that a large number of our countrymen are living under adverse conditions and are exposed to all sorts of diseases. A number of the war refugee families are threatened with the danger of the destruction of their moral principles. The best means to inform the people about the war refugees' problems is through the Voice and Picture of the Islamic Republic which, despite its serious efforts, has taken no significant step in this regard.

In conclusion, Engineer Mostafa Mirsalim asked the responsible Moslem people of Iran to remember, as before, the problem of the war refugees and not to hesitate to provide any assistance in this regard.

1983
CNO: 4406/268

UNEMPLOYMENT, INFLATION COUNTERREVOLUTION'S BEST ASSETS

Tehran WEEKLY ETTEHAD in Persian 7 Apr 81 pp 10-11

[Text] The continuation of the events of the last 1 or 2 months of the previous year indicate that there is no pause in the execution of the plot by imperialism and counterrevolution inside and outside the country. The historic speech of Imam Khomeyni, the leader of the revolution on 16 March 1981 about the establishment of tranquility in the country, although has affected to a large extent the tone and behavior of the officials, groups and the nature of the mass media, not only did not reduce the said plot but counterrevolutionary forces which have the world-devouring United States at their forefront have increased their activities. The similarities between the recent bloody events in Bandar 'Abbas, Qazvin, Ramsar and other parts of the country show that counterrevolution is well-organized and acts according to plans. If the bombings and the act of resorting to terrorism are added to these events, the depth and extent of the plot become vividly clear.

What is of interest to us in this writing is the goal of the counterrevolution to extend the plot to the centers of labor and production in the country, which should [proceed] concurrent with the creation of disturbances and confrontations. The grounds for the execution of the plot and dreadful plans of counterrevolution and imperialism, as usual is nothing but the existence of shortages, inadequacies, and regrettable financial conditions of the workers and toilers. There is no doubt that the hardships of war, and the economic sabotage [imposed] by imperialism and counterrevolutionary capitalists, have so far fallen on the shoulders of the workers, toilers, and, in general, on low income classes. These same toiling classes who themselves brought the revolution to fruition, and the revolution rightfully belongs to them, and they should be the defenders of the revolution and be the ones to bring it to final victory, have up to this time endured the brunt of deprivations.

In all honesty the workers and toilers in our country, with their commendable awareness and alertness, have carried out their historic mission perfectly and will continue to do so. But at any rate, the facts of day-to-day survival of the workers and their families cannot be overlooked as a simple matter. Everyone concedes that the increase in the workers' wages after the revolution which was supposed to bring some relief in their lives has not done so. And all of their wage increases plus part of their previous wages have entirely gone into the pocket of the capitalists. The outrageous cost of basic necessities, which

is only in part due to the economic embargo and the imposed war, and largely due to the intentional sabotage of the counterrevolutionary capitalists, has totally disbanded the lives of the toilers.

It is on the basis of these visible facts of the workers' and toilers' lives that counterrevolution from inside and outside the country, under the direct leadership of the world-devouring U.S. imperialism, has started its organized campaign in the production centers since some time ago and intends to increase its activities in the new year. The unrest which occurred by the close of last year, based on the pretext of "special dividend" and "new year bonus" in some of the labor centers is the best evidence of this assertion. There exist also other similar pretexts, because the previously mentioned conditions continue to exist.

In order to alleviate these conditions, and consequently to eliminate the counter-revolution's pretexts, there exists an applicable solution. This solution is to increase the purchasing power of the wages of workers, toilers and of all the other low income classes. These toiling classes, which constitute the most important defensive power of the revolution, want nothing but the reduction of cost of living and, as a result, the increase of the purchasing power of their present wages, which would enable them to have peace of mind (as a result of the well-being of their families) and to focus their power and efforts on the promotion of the revolution's goals, (as a result of which) they will be able to inflict such a fatal blow on the counterrevolution and its foreign masters so that they would never dare to stand up [against revolution].

How can the cost of living be reduced and the purchasing power of wages be increased? This is not a difficult task. But to achieve it, decisive revolutionary will and action are necessary. The responsible executive personnel of the country must bear in mind that these measures are necessary, vital, and of an immediate nature and [further] delay will cause irreparable damages. Life cannot be taken lightly for very long.

In order to reduce the cost of living and consequently increase the purchasing power of the toilers' wages, certain measures are necessary and must be taken without delay including the correct and just execution of the plan for distribution of goods, especially the most vital necessities of the daily needs of the toilers, which was started some time ago, but hasn't been fully implemented.

9833

CSO: 4906/231

MINISTRY WANTS TO HIRE DAM, HYDRO ENGINEERING EXPERTS

Tehran KAYHAN INTERNATIONAL in English 16 May 81 p 2

[Text]

In conformity with the policies of the Government of Islamic Republic of Iran to achieve self-sufficiency for water development projects; with due regards to the need for drawing up crash programmes to provide agricultural and industrial water requirements; the Ministry of Energy intends to draw up and implement various small hydraulic projects independently at country level. In this connection, it invites all specialists with experience in hydraulic works, particularly in the following fields, to cooperate:

- 1) Qualified experts in Hydro Engineering with sufficient experience in hydro project computations in dams and related facilities.
- 2) Statistical experts with experience in computation for dams and related facilities.
- 3) Geological and soil technicians with experience qualified in identification and research for location of suitable dam sites.
- 4) Earthquake technicians with knowledge and experience in the seismological field capable of computing required earthquake resistance factors in dam projects and working out feasibility studies on dam sites in collaboration with other technicians in related areas.
- 5) Experts in the plan and computation of hydroelectric plants and their installation. Only applicants with the required experience need apply.
- 6) Economic experts who have previously worked in the economics and planning of water projects.
- 7) Specialists with sufficient knowledge of sedimentation in dams and water reservoirs.
- 8) Soil mechanic experts with experience in the planning and computation of earth dams in particular.
- 9) Experts in cost analysis and preparation of technical details on various water projects.
- 10) Experts in planning and computation for urban water sewage projects.
- 11) Experts in the computation and planning of urban water supply networks.
- 12) Topographical engineers with experience related to water supply networks.

All applicants are required to submit a comprehensive bio-data along with records of work experience together with photo-copies of certificates and testimonials. Applicants must also clearly state their choice of preference in the fields in which they desire employment.

All applications should have the applicants' correct address and telephone number clearly stated and they should be forwarded under registered post to:-

**The Undersecretary For Water Affairs,
Directors Office,
Ministry of Energy,
North Palestine Avenue,
TEHRAN.**

Selections will be made on the basis of experience and educational qualifications. Candidates selected will first be called for an interview. Priority will be given to candidates who reside within areas in which projects have been planned.

CSO: 4920

KUWAIT

BRIEF

OIL WORKERS' STRIKE SETTLED--A five-day strike by 50 oil workers at Kuwait's Shuaiba oil port was settled last week by an agreement with the state-owned Kuwait National Petroleum Company granting the workers better pay and conditions. The ending of the strike came shortly before a planned mass meeting of 3,000 other KNPC workers. Sources in the oil industry were quoted by Reuters as saying they expected the workers at the meeting to join the strike. Sheikh Ali Khalifa al-Sabah, who is both Oil Minister and head of KNPC told newsmen that KNPC would sign a new agreement with the workers shortly. Strikes are virtually unknown in the Gulf and the Kuwaiti Deputy Prime Minister, Sheikh Sabah al-Sabah, earlier described the stoppage as illegal. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English 11 May 81 p 5]

CSO: 4820

MOROCCO'S ENERGY PROJECTS OUTLINED

Paris AN-NAHAR ARAB REPORT & MEMO in English 11 May 81 p 1

[Text]

King Hassan of Morocco has disclosed plans for projects worth \$22 billion in the next five years, including a programme to make the country self-sufficient in oil, natural gas and uranium. Speaking before the Council for National Promotion and Planning, King Hassan estimated that Morocco's oil shale reserves could eventually cover the country's energy demand, at present about 5 million tonnes a year of oil equivalent.

Morocco has already started an ambitious oil-from-shale project (*An-Nahar Arab Report & MEMO*, October 20, 1980) aimed to produce 2 million tonnes of oil by 1990. The \$938 million project entered its first phase with the award last month of a \$13 million contract to an American company for construction of a pilot plant.

By 1985, Morocco hopes to be producing 100,000 tonnes of oil from shale, with this amount rising to 400,000 tonnes the following year. Shale reserves in the Tarfaya region in the south of the country are estimated at 20 billion tonnes.

In his address, King Hassan said 3 billion cubic metres of natural gas had been discovered in Morocco. It is hoped that exploration currently underway in the Essaouira region south of Casablanca will yield a further 2 billion cubic metres, the king added.

If the results are successful, the country's natural gas needs could then be met completely from domestic sources.

At present Morocco benefits from a \$50 million World Bank loan to develop oil and energy exploration in the country, in the framework of a \$90 million exploration programme. The French company Elf-Aquitaine and the Franco-Moroccan company Société Chénifiene des Pétroles are prospecting in the north of the country as part of the \$90 million programme (*An-Nahar Arab Report & MEMO*, June 2, 1980).

Morocco's programme for energy self-sufficiency by the end of this decade includes the study of a nuclear power plant, (*An-Nahar Arab Report & MEMO*, February 2), a \$5 billion project to develop phosphates and make the country the world's leading producer of that commodity by the middle of this decade, and a number of infrastructural projects such as oil terminal ports and railways for the transport of phosphates and uranium yellowcake (*An-Nahar Arab Report & MEMO*, July 14, 1980).

IRAN, KUWAIT DISPUTE SHIP SEIZURE

Paris AN-NAHAR ARAB REPORT & MEMO 11 May 81 p 5

[Text]

A diplomatic row erupted last week between Kuwait and Iran over the seizure of an American-owned vessel by the Iranian navy while it was undertaking seismological work in Kuwaiti waters. Iran charged that the vessel, the 250-ton *Western Sea*, was operating in waters designated by Iran as a war zone and Mohammad Hashemi, Iranian Deputy Prime Minister for Political Affairs, said the ship would not be released until Kuwait made an official apology. Kuwait has protested over the seizure.

Mr Hashemi said the *Western Sea* had entered Iranian waters illegally, but diplomatic sources in Tehran said the vessel had been in Kuwaiti waters when ordered to set course for the Iranian port of Bushire. The sources said they believed the Iranians suspected that scientific instruments aboard the *Western Sea* could be used to spy on Iranian naval activity. The sources said the vessel was taken by the Iranians at latitude 29 degrees North and longitude 49 degrees East.

The *Western Sea* is registered in Panama and was flying the Panamanian and Kuwaiti flags. The vessel is owned by Western Geophysical Company, an American firm, and was under charter to the Kuwait National Petroleum Company. The crew of 19 consists of 11 Britons, four Filipinos, three Maltese and one Dutch citizen. They are in custody in Bushire.

Mr Hashemi complained that Kuwait had not sought Iran's permission to undertake survey work close to the dividing line between their waters. The UAE had recently sought and obtained this permission and "the Kuwaiti government could have acted in the same way," Mr Hashemi said. Iran declared the waters at the head of the Gulf a war zone after the outbreak of hostilities with Iraq last September.

GOVERNMENT STUDYING COMPETING GAS DEVELOPMENT PLANS

Paris AN-NAHAR ARAB REPORT & MEMO 11 May 81 p 9

[Text]

The Emir of Qatar, Sheikh Khalifa bin Hamad al-Thani, is studying competing plans from at least six multinational oil companies to develop Qatar's offshore North West Dome gas field, the *Gulf Times* reported last week. The field is one of the six largest in the world with reserves believed to be more than 200 trillion cubic feet of gas.

Companies seeking a stake in the exploration and development of the North West Dome include West Germany's Wintershall, Mobil, Exxon, Royal Dutch/Shell, British Petroleum and the Compagnie Française des Pétroles-Total. The cost of developing the field has been put at \$4 billion by Dr Ali Mohammed Jaidah, Managing Director of the Qatar General Petroleum Company, but this figure is seen as being distinctly on the low side (*An-Nahar Arab Report & MEMO*, January 19). Qatar is offering the winning company or companies a 20 per cent stake in the field in return for its development.

The *Gulf Times* reported that the firms competing for the project feel they would do better by participating in construction of a gas liquefaction plant and other facilities at Ras Laffan, the closest onshore point to the gas field. It added that four consultant companies have been asked to prepare tenders for the project.

The report said work on developing the field was likely to be undertaken in at least four stages. These would be the construction of the LNG plant, estimated to cost about \$2 billion, drilling and development of the North West Dome field, development of onshore facilities and construction of housing and offices for the staff.

Qatar officials told *Reuters* last week that current plans envisage using one-third of the gas produced from the North West Dome locally as fuel for industrial projects, to generate electricity and to desalinate water. The remainder would be liquefied for export, the officials said. The proposed plant will have a capacity of 2 billion cubic feet per day and the officials estimate that it will yield revenues equivalent to those from 120,000 b/d of oil, roughly one-quarter of Qatar's present output of crude.

The officials said they expected a new petrochemicals complex and a natural gas liquids plant in the Umm Said industrial zone to generate revenues of about \$500 million a year. The plants use gas from Qatar's onshore Dukkan fields and the petrochemicals complex is designed to produce 280,000 tonnes of ethylene and 50,000 tonnes of sulphur pellets a year. The plant went on stream at the end of last year (*An-Nahar Arab Report & MEMO*, December 15, 1980) and uses ethane-rich gas from the natural gas liquids plant as feedstock. The complex is a joint venture by the Qatar General Petroleum Company and LCDF Chimie of France, which is operating the plant.

The natural gas liquids plant has a daily capacity of 1,650 tonnes of propane, 1,050 tonnes of butane and 700 tonnes of gasoline. Qatar also has a fertiliser plant which produces 1,800 tonnes of ammonia and just over 2,000 tonnes of urea per day.

The officials added that Qatar plans to increase its exports of refined oil products from 10,000 b/d to 60,000 b/d when a \$215 million refinery goes on stream in about two years' time.

MINISTER DISCUSSES SYRIA'S SUPPORT FOR THE PLO

London 6 DAYS in English 7 May 81 pp 10-11

[Text] **Question:** The PLO chairman Yasser Arafat, here in Damascus, speaks about Palestinian-Syrian ties and called this the 'year of Palestinian decision'. Could you describe the nature of Syrian support for the Palestinians?

Answer: In the international and Arab external fields, Syria gives priority to the Palestinian problem rather than to any other. In other words, the Palestinian problem is a Syrian problem.

What issues should be made first, and who should make them?

We believe that any solution to the Middle East crisis has to be through solving the Palestinian problem. We encourage any initiative that takes the following facts into consideration:

- Israel's withdrawal from all Palestinian and Arab territories including Arab Jerusalem.

- Restoration of the Palestinians' inalienable rights including the right to return, the right for self-determination and the right to have a Palestinian independent state on Palestinian soil.

- No representative other than the PLO to speak for the rights of the Palestinian people.

Do you think that the initiative the Europeans are preparing can lead to a solution?

Taking together the Vienna Declaration, the latter statement by the E.E.C. Ambassador, meeting and the text of the text of the E.E.C. Chairman of the Council of Ministers, the French Foreign Minister and the German one, we believe that the peace elements are there for a comprehensive, just solution. But this doesn't mean that a comprehensive and settlement is in sight. Even the European mind itself, they consider as their most eloquent Syrian

the European situation, if it has the chance to be crystallized, should be independent of the American Camp David agreement.

That doesn't mean that we don't give a role to the Americans or ignore their role in a comprehensive settlement. Because after all, America is a big power and a permanent member of the Security Council. But we reject any American unilateral role in the region. We want to see America as a responsible and sincere partner in seeking

comprehensive, peaceful solution to the problem. From Camp David to now, the American administration hasn't shown any positive towards such a role.

What is the Syrian view of US Secretary of State Haig's visit to the Middle East?

Unfortunately, General Haig gave a bad impression in the region from the moment his aircraft landed. The ideas he had in mind on his mission are bound to fail simply because they are not realistic and are not based on sound principles for international dealing.

How can General Haig want Arab to abandon the Soviet Union and establish relations with the Soviet Union at a moment when the Soviet government and people offer every possible means to the Arabs to conduct their representation? In our view, what General Haig wants is impossible, a waste of time and a loss of America's reputation in Arab eyes.

Do you plan to present these views directly to the American administration?

We believe in dialogue but we reject any idea of having an American view imposed on us. We made this very clear when we refused to receive Mr. Martin Fragar, the American assistant secretary of state for the Middle East. General Haig was coming not to have a dialogue but to impose his view, which is not acceptable.

What are Americans saying the fact that we were involved in the invasion of the Arab League's conflict, that there is a Palestinian people with the right to self-determination, and that the PLO is their only legitimate representative, then we will take upon 1975 for the American government. We did not suffer from any kind of conflict. But if the Americans don't accept that fact, then certainly we cannot reach the stage of their representation.

Does Syria accept Soviet President Brezhnev's proposal for an international conference on the Middle East?

That is a constructive initiative proposed from the permanent members of the security council — except Brezhnev's. What is Syria's position on UN Security Council Resolution 242, does Syria now reject it along with other members of the Arab League, or do you accept it in as much as it calls for Israeli withdrawal to the boundaries of 4 Jun. 1967?

The fact is that Resolution 242 was rejected by the Israelis, and by the Americans. We never felt that the Americans were sincere in implementing the main resolution 242. They never put any pressure on Israel to withdraw from the occupied territories. On the contrary, they did everything possible to strengthen Israeli government in the extent where we had G. Ayalon and his aides say that the Israeli withdrawal to the occupied territories were not illegal and that the PLO was a group of terrorists.

We reject that 242 was killed by the Americans — yet certainly the Americans keep asking us if we still believe in it or not. This question is very hypocritical. Nevertheless, our understanding of 242 was constant as a message sent by the Syrian government along the 1973 war in the UN conference program which resolution we accept Resolution 242 on the following two conditions:

1. Full Israeli withdrawal from all the Lebanese occupied in 1967.

2. Recognizing Palestinian right to self-determination.

Does Syria fear another serious attempt by Israel to annex the Golan Heights?

French Consul says well that the Syrian

under Israeli occupation in the Golan Heights reject any move by the Knesset to change it. Surely you might have heard that an organization was established by the Syrians in the Golan to resist any such moves by the Israeli government.

What do you make of the recent American and French proposals for increasing international forces in Lebanon?

First, we strongly believe that the French had some sort of colonial move which is not acceptable to the Lebanese or the Arab peoples. That's why we condemned it — especially when the French did not condemn the daily Israeli aggression and raids on the southern Lebanon. But certainly we do not consider this a final or a firm policy of the French government because we know very well that they wanted to use the Lebanese Christians merely as a propaganda instrument in the French election campaign.

GOVERNMENT CANCELS IDENTITY CARDS

Paris AN-NAHAR ARAB REPORT & MEMO In English 25 May 81 p 6

[TEXT] The Syrian government last week took a significant step to crack down on dissidents by cancelling all identity cards. Every Syrian citizen over the age of 14 will need a new identity card under the terms of a decree endorsed by President Hafez al-Assad. Failure to obtain a new card within a deadline still to be fixed by the Interior Ministry will make offenders liable to two to six months' imprisonment and fines of SL 100 to SL 500 (about \$40 to \$200). Any person allowing another to use someone else's identity card or who uses another's card will be liable to a prison term of from one to three years and a fine of SL 1,000 (about \$400).

The move will make life considerably more difficult for President Assad's opponents by forcing them to run either the risk of applying for new cards and facing arrest if they are on a list of persons wanted by the regime or of living without an identity card, a dangerous situation in security-conscious Syria.

CSEI: 4820/368

INDUSTRIAL PROGRESS NOTED

Paris AN-NAJAR ARAB REPORT 6 1980 in English 11 May 81 pp 8-9

[Text.]

(Development consultant Dr Paul Haggden writes)

Recently published data on Syria's industrial production during the eight years ending in 1978 provide indications of the country's development from an agricultural and artisan economy in the 1960s to one in which industry is attracting more attention and in which certain industrial sectors made remarkable progress in the 1970s. This took place despite the restrictive import policies, strict foreign exchange control regulations and bureaucratic entanglements which are such strong disincentives to successful management of industries dependent on imports for many of their raw materials.

In spite of these handicaps, Syria's engineering industries, particularly those producing electrical motors and transformers, reinforcing bars, refrigerators, and television sets moved into true expansion, as indicated by the following figures: 74,157 refrigerators in 1978 compared to 16,895 in 1970, 683,152 motors and transformers compared to none in 1970 and 49,075 in 1974, 108,803 tons of steel bars compared to 50,654 tons in 1974 and none in 1970, 50,701 television sets in 1978 against 7,590 in 1970. Cardboard production also has tripled in eight years' time, reaching 3,607 tons in 1978.

None of these 1978 figures places Syria in a major industrial league, even in the Third World. India's electrical transformer industry is gigantic compared to Syria's. Iran and Iraq are much more important manufacturers of refrigerators. What does matter is that industrial development has taken place despite increasing military budgets, increases which go unabated and are reported to reach 53 per cent of the national budget in 1981. Can industrial production continue at the same pace in the 1980s? Indeed can it improve?

In the food industries, nine out of 14 categories made remarkable advances between 1970 and 1978,

ie doubled, tripled, often more than quadrupled their output as, for example, did the producers of yoghurt, pasteurized milk, beer, and olive oil. But in 1978 the production of flour, sugar, and more strikingly still, margarine and peanuts were well below their earlier highs. Mineral water production is catching on in Syria as it did earlier in Lebanon, Saudi Arabia, the UAE, over 10 million bottles were bottled in Syria during 1978 and the upward trend is expected to continue.

The textile industry also increased its production between 1970 and 1978, but impressive increases were registered only for woollen carpets and nylon industrial thread. The 1978 production of carpets was triple that of 1970 and output of nylon thread was quadruple that of eight years earlier. On the other hand, cotton yarn production, which reached about 32,000 tons in 1976, was back to close to its 1970 low of 20,000 tons in 1978 probably because of increasing raw cotton exports to Greece, Rumania, Bulgaria and Czechoslovakia, under clauses of long-term trade agreements. Syria's chemical industries present a lacklustre picture, with some categories markedly retrogressive. This has happened with production of rubber or plastic shoes. Syria's largely state-run economy does not have the flexibility of Lebanon's entrepreneurial industrialists who can make quick decisions, cut their losses and re-invest in other opportunities in a jiffy. Only the production of pharmaceutical products is registering noticeable increases in the chemical sector.

As regards crude oil, Syria's annual production stands at some 59 million barrels, some of which is allocated for export, for instance, to Bulgaria at present in exchange for engineering, electrical and other products.

Not only are Syria's troops in Lebanon a military liability in case of an Israeli advance into Syria, but from an economic viewpoint they are consumers rather than producers: they are farming boys, mechanics, engineers

who could otherwise be reaping sugar beet, working on factory assembly lines, designing highways or irrigation projects at home. Few, if any, are combat-ready, yet their village expertise is also going waste. They are a double drain on Syria's resources. These resources are reported to be in tight supply, especially as concerns the availability of hard currency over the next six to nine months.

Hence production of export related goods should be geared to higher targets. This would apply principally to the textile sector. However, competition is keen from other Third World textile manufacturers in export markets. A re-assessment of the viability of various industrial sectors will probably be undertaken in due course. An EEC-financed census on industrial production is in the offing, it is probably the first step in the re-assessment process.

CSO: 4820/368

CURRENCY REFORM CAUSES PROBLEMS FOR PRIVATE SECTOR

Paris AN-NAHAR ARAB REPORT & MEMO in English 18 May 81 pp 5-6

[Text]

The Syrian government's currency reform of April 22 has begun having a serious effect on the country's important private sector. Businessmen who have for the last three years succeeded in securing the foreign currency required for private sector imports now find themselves compelled to seek US dollars, French francs and Deutschmarks from Syrian state banks (*An-Nahar Arab Report & MEMO*, May 11). In theory, the currency reform, and a new two-tier rate structure for the Syrian pound, should make this straightforward. But the practice is different.

Syria now has, for the first time in decades, a currency at least partially responsive to market pressures. A parallel rate has been set up which, the government asserts, will operate according to supply and demand. The first rates established on April 23, were indeed broadly comparable with the old blackmarket rates freely available in the souks (markets) of Damascus and Aleppo. The dollar was said to be worth Syrian Pounds 6.30 on the parallel market while the official rate remained SL 3.92-3.96. Under the new system, all expatriate remittances, all earnings from tourism and private sector invisibles will be able to be converted into Syrian money at the freely floating parallel rate. But most government business will be accounted for at the official rate.

There is no doubt that the two-tier system is an attempt by the government to be more realistic about the country's finances. The government has, in recent months, taken other similar measures. Interest rates have been raised, though to nowhere near Western levels, while the price mechanism has been activated to encourage farmers to produce more sugar and cotton. In sum, the government is resorting to financial, rather than social, accounting in its attempts to get the country out of the economic difficulties in which it finds itself.

If all goes well, the new system should ultimately prove a boon to the private sector. But all is not necessarily going well. The reform was undertaken at a time when there are grave doubts over Syria's foreign reserves, and

thus its ability to pay for imports. The new system is designed to attract remittances from Syrian expatriates, to ensure their hundreds of millions of dollars flow directly into the regulated Syrian market, and not on to the black market via Beirut, as has previously been the case.

The April 22 decree, and accompanying government statements, make it clear that the inflow of foreign currency is to be made available to finance private sector imports. Previously, a private sector importer had to organise letters of credit through foreign banks for his imports. Now, under the new legislation, he will only be allowed to secure foreign financing for his business from state banks: the Commercial Bank of Syria will alone be allowed to arrange letters of credit. To ensure that there is no evasion of these requirements, all imports will have to be officially licenced.

The expected inflow of overseas remittances, plus earnings from tourism and invisibles, should be sufficient to take the brunt of the private sector's import bill in the long term. In theory, this should then lead to a reduction of the pressure on the Syrian pound which had prompted the latest reforms. Ultimately, the parallel rate should be able to converge with the official rate. This was indicated by the Deputy Prime Minister for Economic Affairs, Ab-

del Ghader Qadoura, in an interview with the semi-official newspaper *Tishrin* on May 5. Mr Qadoura indicated he expected the Syrian pound to appreciate on the parallel market, and indeed in the days after he spoke, the value of West European currencies on the parallel market did decline, by around 3 per cent. This however, largely reflected their weakness against the US dollar, which remained firmly at its SL 6.30 rate on the parallel market.

But what worries the businessmen is that since April 22 few if any import licences have been granted. The presumption is growing that the government, which has spoken frequently of the need for curbing imports, is using the new system as a method of blocking private sector imports and curbing the private sector itself. Private

imports in 1979, the last year for which figures have been released, accounted for 27 per cent of the market.

Foreign bankers attribute the delay in issuing import licences under the new system to foreign exchange shortages. They believe that until the expected remittances start to flow in, the Commercial Bank of Syria and the Central Bank will simply lack sufficient dollars, sterling, francs and marks to pay for the private sector's import bills. No figures are available, however, for the size of Syria's foreign exchange reserves, although the government has argued consistently in the last few months that the underlying position is sound.

Current five-year plan still remains unpublished

In fact, the overall economic position of Syria is hard to assess. The country's five-year plan, which should have started in January of this year, has not yet been published. All current efforts are geared to tidying up unfinished projects carried over from the fourth plan (1976-80). The new plan will probably not start until 1982 in practice if not in theory. In the meantime, the emphasis is on ensuring that existing projects, in which substantial investments have been made, start to earn money for the country, both directly in the sense of boosting Syrian exports and indirectly in the form of providing import substitutes.

The government has been pegging away solidly at restricting public sector imports for some months. Medicines, consumer durables and foodstuffs are all being cut back. To cut costs, imported vegetables and cereals will only be bought when in season. Duties will continue to be attached to key imports such as sugar.

But until such time as the country's export promotion measures and import substitution efforts start to bite – which will probably be next year – the country will still face problems, not least from illegal imports via Lebanon and Turkey.

This will ensure that the black market in commodities continues to exist, although the government's crack down along its borders may prevent it from flourishing. The black market in currency will probably continue for a while, since some Syrians will always require foreign exchange for purposes they are not willing to disclose to the government. But the effect of the government's measures, should they prove effective, will be to wrest control from current blackmarketeers of the overwhelming

bulk of foreign currency currently on offer within Syria through private money changers, since the main requirement by Syrians for foreign exchange is to finance regular commercial – but private – trade.

The bulk of the country's official trade, however, will continue to be transacted at the official rate, in particular Syria's vital oil, cotton and phosphate exports, which between them account for four-fifths of all Syria's revenues. Foreign aid will also be credited to the country's reserves at the official rate and will thus not be available for use by the private sector to finance imports. It is therefore likely to be some time before Syria has a unified currency rate again. Should that happen, then it is likely to be a more realistic rate than the fixed rate of SL 3.95 to the dollar which has been operational for the last four years.

BRITISH WIN BAGHDAD METRO DESIGN CONTRACT

Paris AN-NAHAR ARAB REPORT & MEMO 11 May 81 pp 4, 5

[Text]

A group of British consultancy firms, formed into the British Metro Consultants' Group, has won a \$129 million contract to design and supervise construction of an underground railway system for Baghdad. The design is thought to be the largest ever awarded by the Iraqi government and it is one of the biggest in British order books.

The companies involved in the group are W S Atkins and Partners Design Research Unit, Freeman Fox, Sir William Halcrow and Partners, Halcrow Fox and Associates, Charles Haswell and Partners, Henderson Busby Partnership, Kennedy and Donkin McLellan and Rendel, and Palmer and Tritton.

The contract is for the design of 32 km of track, due to be completed within nine years. It will be the first of its kind in the Arab world, unless the Cairo Metro is finished first.

Transmark, the subsidiary of the state-owned British Rail, and London Transport International will also work with the British Metro Consultants on the project.

The total cost of the Baghdad underground railway has not been revealed, but it is estimated to reach at least \$1 billion.

At present, only the first stage of the project is under consideration and it would involve two lines: one running from the eastern part of the city through the centre and out to the north; the second line would run from south of Baghdad to the west.

The biggest civil engineering contracts in Iraq have so far been awarded mostly to Japanese, German and French firms. British companies have only won relatively small contracts in Iraq but the latest award is thought to be promising for the future. Consultancy contracts of this type are regarded as valuable in opening the way towards larger construction and equipment orders for companies of the same national origin.

ADNOC DEVELOPS GAS-BASED INDUSTRY

Paris AN-NAHAR ARAB REPORT & MEMO 11 May 81 p 10

[Text]

The Abu Dhabi National Oil Company is undertaking feasibility studies for five new industrial plants and expansion of two existing plants to develop its gas-based industries, the OPEC news agency reported from the UAE last week. One of the new projects is an onshore gas liquefaction plant with an output of 800 million cubic feet a day, *OPECNA* said. It would be linked to newly discovered reserves of gas.

The plant, which will also serve as a reservoir is due for completion by December 1983. It will meet domestic demand for gas and will be linked to onshore oilfields through a transport system which is due for completion by 1982.

Other studies are underway for a condensate natural gas liquids project, a gas desulphurisation plant, a basic aromatics plant with a capacity of 300,000 tons a year of benzene and xylenes and a methyl/tertiary-butyl-ether project, *OPECNA* reported. It added that studies were also being conducted for the expansion of ADNOC's Das Island LNG gas liquefaction plant and a fertiliser plant which is at present under construction.

The fertiliser plant, expected to be complete in 1983, will produce 1,000 tons of ammonia and 1,500 tons of urea annually. The plant will have all the storage and shipping facilities needed for the liquid ammonia and bulk urea fertilisers.

In addition to the gas-based industries, *OPECNA* said ADNOC was considering building a lube oil plant with a capacity of 200,000 tons a year as well as asphalt and petroleum coke units for its Ruwais refinery.

Meanwhile, plans are underway to expand the Ruwais refinery to boost its production capacity to 300,000 barrels a day by 1984. The refinery has a production capacity of 120,000 barrels a day, and is expected to be on stream later this year. There is also a project to further expand the Umm-al-Nar refinery in the Ruwais industrial complex to 75,000 barrels a day, from the present 15,000 b/d. The expansion project is due for completion by 1983.

These projects are part of the ambitious five-year development plans announced by ADNOC in January (*An-Nahar Arab Report & MEMO*, January 19). The total cost of these plans for the expansion of ADNOC's operations has been put at Dirhams 38 billion (\$10.2 billion).

Meanwhile it was announced in Abu Dhabi that onshore natural gas from the Bu Hassa, Assab, Bab and Sahil oilfields will no longer be flared as of next July, when a gas gathering and processing plant in the area will be completed. The plant will produce natural gas liquids which will be transported to Ruwais through a 36,000 cubic metres/day pipeline, for processing into propane, butane, pentane and other products.

CSO: 4820

UNITED ARAB EMIRATES

BRIEFS

LABOR AGREEMENT WITH SUDAN--In a move to coordinate further labor movements in the Arab world, the UAE and Sudan last week initialed a cooperation agreement regulating the recruitment of Sudanese workers in the Emirates. The agreement provides recruitment procedures and facilities. It requires that the conditions and terms of recruitment be defined on the basis of individual contracts between workers and their employers. These contracts will, moreover, be under the supervision of the UAE Ministry of Labor and Social Affairs. It is estimated that about 50 percent of the active population of the UAE is made up of immigrant workers, and that around 20 percent of these are of Arab origin. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English 11 May 81 p 9]

CSO: 4820

END

END OF

FICHE

DATE FILMED

JUNE 16, 1981